

Lava Hot Springs Foundation

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY FUND CATEGORY					
Dedicated	1,268,000	1,201,200	1,634,900	1,866,400	1,667,000
Percent Change:		(5.3%)	36.1%	14.2%	2.0%
BY OBJECT OF EXPENDITURE					
Personnel Costs	694,700	694,700	789,500	868,200	838,700
Operating Expenditures	526,000	490,000	637,800	800,900	753,000
Capital Outlay	47,300	16,500	207,600	197,300	75,300
Total:	1,268,000	1,201,200	1,634,900	1,866,400	1,667,000
Full-Time Positions (FTP)	11.00	11.00	11.00	11.00	11.00

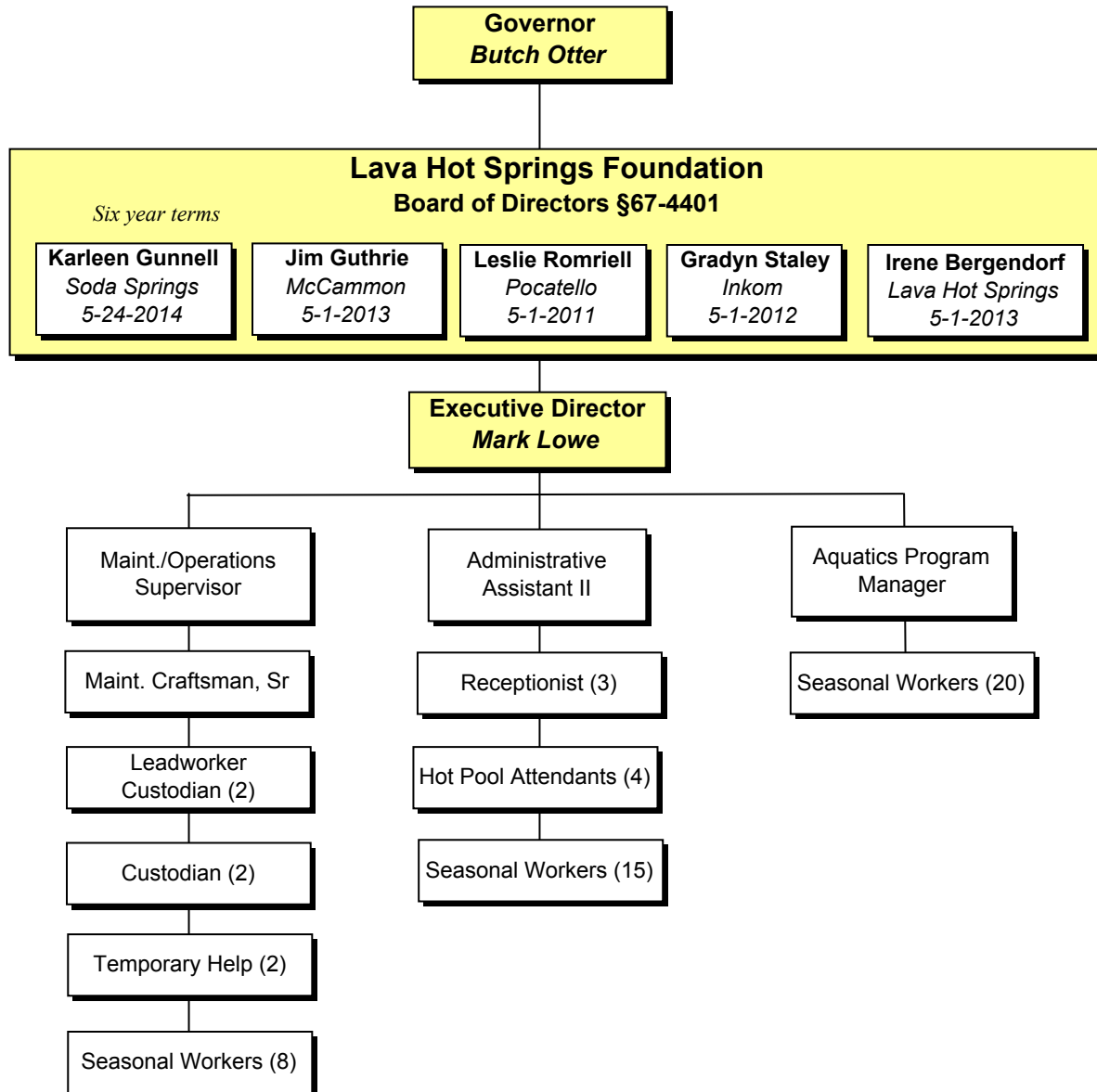
Division Description

Land administered by the Lava Hot Springs Foundation, consisting of 178 acres along the Portneuf River in Bannock County, was purchased from the tribal government by the federal government in 1902. Later that year, the federal government ceded the land to the State of Idaho, with the provision that the state reserve the land for public use under such regulation as the state may prescribe. The state created the foundation to manage the land. In 1962 and 1963, severe flooding damaged the foundation's swimming pools and hot baths. Subsequently, the foundation implemented a rebuilding program culminating in the construction of a new swimming pool recreation complex which was dedicated in August 1969.

Section 67-4401, Idaho Code, states that all rights to operate, manage, and control Lava Hot Springs are vested in the Lava Hot Springs Foundation. Such foundation shall consist of a five member board, appointed by the Governor, on a staggered basis, for six-year terms. The foundation employs 11 full-time equivalent positions and about 45 part-time people in the summer when the large swimming pool is open. The 25-yard pool of the Olympic swimming complex is now enclosed and operational during the winter months. The hot baths are open all year. The Lava Hot Springs Foundation is a self-sustaining financial operation with all operating revenues generated from hot baths and swimming pool entrance fees, swimsuit, towel, and locker rentals, miscellaneous merchandise sales, and lease agreements.

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Sources and Uses of Funds

	FY 2008 Expenditures	FY 2009 Orig. Appropriation	FY 2010 Request
Lava Hot Springs Foundation (0410-03)			
Receipts from swimming pool, hot baths, rentals and leases used to operate the facilities	\$1,201,200	\$1,484,900	\$1,766,400
Lava Hot Springs Capital Improvement (0410-04)			
The Foundation may transfer moneys over and above the costs of operations and maintenance to acquire, purchase, improve, repair, furnish, and equip facilities.	0	150,000	100,000
	<u>\$1,201,200</u>	<u>\$1,634,900</u>	<u>\$1,866,400</u>

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	11.00	0	1,634,900	11.00	0	1,634,900
Health Insurance Reduction	0.00	0	0	0.00	0	(5,500)
FY 2009 Total Appropriation	11.00	0	1,634,900	11.00	0	1,629,400
Removal of One-Time Expenditures	0.00	0	(207,600)	0.00	0	(207,600)
FY 2010 Base	11.00	0	1,427,300	11.00	0	1,421,800
Benefit Costs	0.00	0	9,800	0.00	0	4,300
Inflationary Adjustments	0.00	0	56,400	0.00	0	8,500
Replacement Items	0.00	0	97,300	0.00	0	75,300
Statewide Cost Allocation	0.00	0	6,700	0.00	0	6,700
Change in Employee Compensation	0.00	0	18,500	0.00	0	0
FY 2010 Program Maintenance	11.00	0	1,616,000	11.00	0	1,516,600
1. Federal Minimum Wage Increase	0.00	0	50,400	0.00	0	50,400
2. State Building Authority Payments	0.00	0	100,000	0.00	0	100,000
3. Public Works Participation Funds	0.00	0	100,000	0.00	0	0
FY 2010 Total	11.00	0	1,866,400	11.00	0	1,667,000
Change from Original Appropriation	0.00	0	231,500	0.00	0	32,100
% Change from Original Appropriation			14.2%			2.0%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	11.00	0	1,634,900	0	1,634,900

Health Insurance Reduction

Agency Request 0.00 0 0 0 0

The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.

Governor's Recommendation 0.00 0 (5,500) 0 (5,500)

FY 2009 Total Appropriation					
Agency Request	11.00	0	1,634,900	0	1,634,900
Governor's Recommendation	11.00	0	1,629,400	0	1,629,400

Removal of One-Time Expenditures

Remove \$57,600 provided for replacement items and \$150,000 provided for infrastructure improvements. Replacement items included \$12,600 for four pumps, \$5,000 for lawn care equipment, \$15,000 for a lawn tractor, and \$25,000 for walkway repairs.

Agency Request 0.00 0 (207,600) 0 (207,600)

Governor's Recommendation 0.00 0 (207,600) 0 (207,600)

FY 2010 Base					
Agency Request	11.00	0	1,427,300	0	1,427,300
Governor's Recommendation	11.00	0	1,421,800	0	1,421,800

Benefit Costs

Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.

Agency Request 0.00 0 9,800 0 9,800

The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.

Governor's Recommendation 0.00 0 4,300 0 4,300

Inflationary Adjustments

Inflationary increases are calculated using the ongoing base for operating expenditures multiplied by agency-specific inflation factors. The inflationary adjustment reflects a 10.4% increase in all funds. The requested amount includes \$700 for repairs and maintenance services, \$1,500 for employee travel, \$1,000 for fuel and lubricants, \$5,000 for merchandise, \$4,000 for supplies, \$35,000 for insurance, \$6,000 for utility charges, and \$3,200 for miscellaneous expenditures.

Agency Request 0.00 0 56,400 0 56,400

The Governor recommends increased spending authority for fuel, travel, and utility charges.

Governor's Recommendation 0.00 0 8,500 0 8,500

Replacement Items

Replacement items include \$25,300 for motors and pumps, \$22,000 for a tractor, \$25,000 for pool repairs, and \$25,000 for deck repairs. [One-time]

Agency Request 0.00 0 97,300 0 97,300

The Governor removes funding for replacement of the tractor.

Governor's Recommendation 0.00 0 75,300 0 75,300

Statewide Cost Allocation

The request includes adjustments to recover the costs of services provided to state agencies: \$2,500 for Attorney General fees; a reduction of \$900 for property and casualty insurance premiums; \$4,700 for State Controller fees; and \$400 for State Treasurer fees.

Agency Request 0.00 0 6,700 0 6,700

Governor's Recommendation 0.00 0 6,700 0 6,700

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase in the appropriation request. The request includes \$12,700 or 69% for permanent positions and \$5,800 or 31% for group positions.					
Agency Request	0.00	0	18,500	0	18,500
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Program Maintenance					
Agency Request	11.00	0	1,616,000	0	1,616,000
Governor's Recommendation	11.00	0	1,516,600	0	1,516,600
1. Federal Minimum Wage Increase					
The Foundation requests spending authority be provided to increase staff salaries to keep pace with the federal minimum wage. The pay scale for seasonal employees increased July 24, 2008 to the new federal minimum wage of \$6.55 per hour and it will increase again July 24, 2009 to \$7.25 per hour. About half of the additional moneys would be provided to seasonal employees and the remainder would be spread among all employees to avoid salary compression. The last ticket price increase was May 1, 2008 and revenue generated by the current rates will provide cash for this increase (the rate was increased from \$7.00 to \$7.50 per weekend day for the Olympic pool and from \$5.50 to \$6.00 per weekend day for the hot pools). [Ongoing]					
Agency Request	0.00	0	50,400	0	50,400
Governor's Recommendation	0.00	0	50,400	0	50,400
2. State Building Authority Payments					
Last session, JFAC approved a concurrent resolution and spending authority for the Lava Hot Spring Foundation to enter into an agreement with the Idaho State Building Authority to finance the installation of speed slides. The total project cost was \$1.65 million financed for 15 years at 5.5% interest with the rate reset at five-year intervals. Depending on revenues, this request may allow the Foundation to make extra payments and pay off the capital lease sooner, thus reducing the total cost. The request is for ongoing spending authority until such time as the capital lease is retired. [Ongoing]					
Agency Request	0.00	0	100,000	0	100,000
Governor's Recommendation	0.00	0	100,000	0	100,000
3. Public Works Participation Funds					
One-time spending authority from the foundation's Capital Improvement Fund is requested to partner with the Division of Public Works (DPW) to make infrastructure improvements. Frequently, DPW projects cost more than estimated and this request would allow the Foundation to make up shortfalls, allowing the project to go forward. Requested projects are 1) \$175,000 for disinfection equipment; 2) \$140,000 for installation of snowmelt systems on hot pool decks and steps; 3) \$175,000 to install drains and replace decks on the north side of the Olympic swimming complex; and 4) \$110,000 to pave the west park parking lot. The request from the Permanent Building Fund Advisory Council (PBFAC) is \$600,000 with this \$100,000 in agency funds as a contingency. [The PBFAC's November 7 alteration and repair recommendation includes \$175,000 for the disinfection system and \$110,000 to pave the west parking lot.]					
Agency Request	0.00	0	100,000	0	100,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Total					
Agency Request	11.00	0	1,866,400	0	1,866,400
Governor's Recommendation	11.00	0	1,667,000	0	1,667,000
Agency Request					
Change from Original App	0.00	0	231,500	0	231,500
% Change from Original App	0.0%		14.2%		14.2%
Governor's Recommendation					
Change from Original App	0.00	0	32,100	0	32,100
% Change from Original App	0.0%		2.0%		2.0%